

FILED**FEB 24 2021**CLERK, U.S. DISTRICT COURT
SOUTHERN DISTRICT OF ILLINOIS
EAST ST. LOUIS OFFICEIN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF ILLINOIS

UNITED STATES OF AMERICA,)

Plaintiff,)

vs.)

CRIMINAL NO. 21-30022-SPMKEVIN M. KAHRIG, and)
CATHARINE A. KAHRIG,)

formerly known as)

"Catharine A. Von Almen,")

Defendants.)

Title 18, United States Code,
Sections 2, 152(2), 152(3), and 157
Title 31, United States Code,
Section 5324(a)(3)**INDICTMENT****THE GRAND JURY CHARGES:****COUNT 1****(Bankruptcy Fraud – 18 U.S.C. §§ 2 and 157(1))**

1. At times material to this indictment:

a. The United States Bankruptcy Code (Title 11 of the United States Code) provided persons (debtors) with an opportunity to obtain a fresh financial start through the elimination of their debts by filing a bankruptcy petition signed under penalty of perjury. The filing of a bankruptcy petition invokes an automatic stay of federal and state lawsuits against the debtor, and effectively halts debt collection activities by creditors.

b. The Bankruptcy Code provided that, after filing a petition, a debtor files a Statement of Financial Assets ("SOFA"), a Summary of Assets and Liabilities, and various schedules disclosing, among other things, the debtor's property, transfers of property, income, creditors, and debts. The debtor signs these papers under penalty of perjury, and declares that the information and answers therein are true and correct, and that making false statements or concealing property may subject the debtor to criminal fines, imprisonment, or both.

c. The Bankruptcy Code also required debtors to participate in a Meeting of Creditors. The Meetings of Creditors provides creditors, attorneys for creditors, the Chapter 7 trustee, and attorneys of the United States Trustee's Office an opportunity to ask debtors questions, under oath, about their financial affairs and assets.

2. At times material to this indictment:

a. Defendant KEVIN M. KAHRIG ("K. KAHRIG") was a resident of Madison County, Illinois.

b. Defendant CATHARINE A. KAHRIG, formerly known as "Catharine A. Von Almen" ("C. KAHRIG"), was a resident of Madison County, Illinois. K. KAHRIG and C. KAHRIG got married in September 2016, got divorced in March 2018, then remarried after K. KAHRIG's bankruptcy proceedings concluded. K. KAHRIG's bankruptcy filings listed C. KAHRIG as a creditor to whom he had paid \$800 a month in rent.

c. L.H. was K. KAHRIG's first wife. In or around March 2014, the Madison County Circuit Court entered an order of dissolution requiring K. KAHRIG to pay child support. K. KAHRIG's bankruptcy filings represent that K. KAHRIG was required to pay \$1,250 a month to L.H. in child support.

d. D.F. represented L.H. in attempts to collect child support. On or about October 25, 2017, the Madison County Circuit Court ordered K. KAHRIG to pay D.F.'s fees in the divorce proceedings. K. KAHRIG's bankruptcy filings listed D.F. among his creditors, for \$22,000 in attorneys' fees.

e. C.G. and M.G. sued K. KAHRIG and his business, Customary Construction & Pools, LLC, on or about April 4, 2016, over allegedly faulty work done by K. KAHRIG on their residence. K. KAHRIG's bankruptcy filings listed C.G. and M.G. among his creditors for an undetermined amount. The suit later settled for approximately \$225,000.

f. Customary Construction & Pools LLC was a residential home and pool construction business owned by K. KAHRIG. It was dissolved on or about August 12, 2016.

3. From on or about November 11, 2015 to on or about July 31, 2018, in St. Clair and Madison Counties, within the Southern District of Illinois, and elsewhere, defendants K. KAHRIG and C. KAHRIG devised and intended to devise a scheme and artifice to defraud K. KAHRIG's creditors, the bankruptcy trustee, and the bankruptcy court.

4. It was the object of the scheme to conceal K. KAHRIG's assets from his creditors and fraudulently to transfer assets to C. KAHRIG in order to shield those assets from K. KAHRIG's creditors.

Transferring assets to C. KAHRIG and reducing assets to cash:

5. From at least January 2016 to at least June 2016, K. KAHRIG transferred to C. KAHRIG, then known as "Catharine A. Von Almen," cash and checks belonging to him in a total amount greater than \$160,000, which C. KAHRIG then deposited into her bank account ending in *7460 at 1st MidAmerica Credit Union. They were not married at the time.

6. From in or around January 2016 to in or around December 2017, K. KAHRIG instructed one or more of his customers, and/or customers of Customary Construction & Pools LLC, to make out payments to C. KAHRIG and other family members rather than to himself or his business. C. KAHRIG deposited at least one such check from a customer into the same bank account ending in *7460 at 1st MidAmerica Credit Union.

7. From in or around March 2016 to in or around June 2018, C. KAHRIG used the funds in her account ending in *7460 at 1st MidAmerica Credit Union to further the scheme to defraud. C. KAHRIG purchased and renovated one or more properties using funds from the account ending in *7460 at 1st MidAmerica Credit Union. C. KAHRIG also paid one or more debts owed solely by K. KAHRIG from the account ending in *7460 at 1st MidAmerica Credit Union.

8. From in or around July 2016 to in or around December 2017, K. KAHRIG also reduced assets to cash to conceal them from creditors. K. KAHRIG cashed checks in a total amount greater than \$200,000 rather than depositing them in the bank. He also transferred money from his own FCB account ending in *8001, into an FCB account ending in *8010 that he held jointly with his minor son, "G.K.," before withdrawing cash. By the end of 2017, K. KAHRIG had emptied and closed FCB accounts ending in *4001, *4002, *8010, and *8001.

The Sunseeker boat and the house on Green Valley Road:

9. On or around August 26, 2016, K. KAHRIG and C. KAHRIG, then known as "Catharine A. Von Almen," agreed to transfer a property that they held jointly, located at 30651 Green Valley Road, Gravois Mills, Missouri 65037, to C. KAHRIG alone. They were not married at the time.

10. On or about September 12, 2017, K. KAHRIG sold and transferred a boat that he held in his own name. The boat's buyer wrote out a check to K. KAHRIG for \$395,000. To hide these assets from his creditors, K. KAHRIG and C. KAHRIG fraudulently used the \$395,000 check to pay off C. KAHRIG's mortgage on the property located at 30651 Green Valley Road.

11. In or around January 2018, C. KAHRIG filed for divorce on the grounds that C. KAHRIG and K. KAHRIG had been separated since December 2016. The divorce was finalized in or around March 2018, even though C. KAHRIG and K. KAHRIG continued to live together. Divorce documents listed the property at 30651 Green Valley Road as non-marital property belonging to C. KAHRIG.

12. The month after the divorce was finalized, on or about April 20, 2018, C. KAHRIG sold the property at 30651 Green Valley Road. C. KAHRIG deposited the resulting check from the title company into a different account at 1st MidAmerica Credit Union, ending in *6890, which she held jointly with her parents.

13. C. KAHRIG later moved the proceeds from the sale of 30651 Green Valley Road, and attempted to convert them to cash, in an effort to conceal the scheme to defraud. On or about May 15, 2018—the day before K. KAHRIG filed for bankruptcy—C. KAHRIG moved the bulk of the proceeds from that sale out of the account ending in *6890 at 1st MidAmerica Credit Union into an account at Edward Jones. In the course of carrying out the scheme to defraud, K. KAHRIG made materially false statements and omissions in the course of the bankruptcy proceedings. In or around July 2018, C. KAHRIG asked 1st MidAmerica Credit Union if they would allow her to cash a large check from Edward Jones. They refused. On or about July 12, 2018, C. KAHRIG moved the bulk of the proceeds from the sale of 30651 Green Valley Road out of the Edward Jones account into a bank account held by her father, J.V.A., at United Community Bank.

14. On or about May 7, 2018, the Madison County Circuit Court found K. KAHRIG in willful contempt and ordered that he serve time in jail starting on or about May 21, 2018, unless he made certain payments.

15. On or about May 16, 2018, in St. Clair County, within the Southern District of Illinois, defendant,

KEVIN M. KAHRIG, aided and abetted by **CATHARINE A. KAHRIG**,
formerly known as “Catharine A. Von Almen,”

for the purpose of executing and concealing the scheme and artifice to defraud, knowingly filed a petition for bankruptcy in the United States Bankruptcy Court for the Southern District of Illinois, case No. 18-30741-LKG (S.D. Il. Bankr.), which had the natural tendency to influence the bankruptcy court, bankruptcy trustee, and creditors, with the intent to defraud and with the intent to carry out and attempt to carry out an essential part of the scheme.

In violation of Title 18, United States Code, Section 2 and Section 157(1).

COUNT 2
(Structuring – 31 U.S.C. § 5324(a)(3); 18 U.S.C. § 2)

On or about the following dates, in Madison County, within the Southern District of Illinois, defendants,

KEVIN M. KAHRIG, and
CATHARINE A. KAHRIG,
 formerly known as “Catharine A. Von Almen,”

knowingly and for the purpose of evading the reporting requirements of section 5313 of Title 31, United States Code, and the regulations promulgated thereunder, did structure, assist in structuring, and attempt to structure, the following transactions with a domestic financial institution:

Date	Amount	Financial Institution and Account
Feb. 29, 2016	\$8,500	Account ending in *7460 at 1st MidAmerica Credit Union.
Mar. 1, 2016	\$8,000	Account ending in *7460 at 1st MidAmerica Credit Union.
Mar. 2, 2016	\$9,900	Account ending in *7460 at 1st MidAmerica Credit Union.
Mar. 3, 2016	\$9,900	Account ending in *7460 at 1st MidAmerica Credit Union.
Mar. 5, 2016	\$9,900	Account ending in *7460 at 1st MidAmerica Credit Union.
Mar. 24, 2016	\$9,900	Account ending in *7460 at 1st MidAmerica Credit Union.
Mar. 31, 2016	\$9,900	Account ending in *7460 at 1st MidAmerica Credit Union.
April 28, 2016	\$9,800	Account ending in *7460 at 1st MidAmerica Credit Union.
May 10, 2016	\$9,900	Account ending in *7460 at 1st MidAmerica Credit Union.
May 26, 2016	\$8,000	Account ending in *7460 at 1st MidAmerica Credit Union.
June 29, 2016	\$9,350	Account ending in *7460 at 1st MidAmerica Credit Union.

In violation of Title 31, United States Code, Sections 5324(a)(3) and 5324(d); Title 31, Code of Federal Regulations, Sections 1010.100(t), 1010.311, and 1010.313; and Title 18, United States Code, Section 2.

COUNT 3
(False Bankruptcy Declaration – 18 U.S.C. § 152(3))

On or about May 30, 2018, in St. Clair County, within the Southern District of Illinois, in relation to a case under Title 11, *In re: Kevin Michael Kahrig*, No. 18-30741 (S.D. Ill. Bankr.), which was filed with the Bankruptcy Court on May 16, 2018, defendant,

KEVIN M. KAHRIG,

knowingly and fraudulently made materially false declarations, certificates, and verifications under the penalty of perjury on a document filed with the bankruptcy court, specifically:

- a. In answer to Question 9 of the SOFA, which asked, “Within 1 year before you filed for bankruptcy, were you a party in any lawsuit, court action, or administrative proceeding?” K. KAHRIG failed to disclose his recent divorce action with C. KAHRIG;
- b. In answer to Question 17, which asked “Within 1 year before you filed for bankruptcy, did you or anyone else acting on your behalf pay or transfer any property to anyone who promised to help you deal with your creditors or to make payments to your creditors?”, K. KAHRIG checked “no,” when in fact K. KAHRIG had transferred property to C. KAHRIG in the last year, and C. KAHRIG had made payments to K. KAHRIG’s creditors;
- c. In answer to Question 18 of the SOFA, which asked, “Within 2 years before you filed for bankruptcy, did you sell, trade, or otherwise transfer any property to anyone, other than property transferred in the ordinary course of your business or financial affairs?”, K. KAHRIG failed to disclose that he had transferred his interest in the property at 30651 Green Valley Road to C. KAHRIG on or about August 26, 2016;
- d. Also in answer to Question 18 of his bankruptcy SOFA, K. KAHRIG did not disclose that he had sold and transferred a property located at 2311 Keebler Road, Collinsville, Illinois 62234 for approximately \$398,000 on or about February 7, 2017;
- e. Also in answer to Question 18 of his bankruptcy SOFA, K. KAHRIG stated that he had sold a 2002 Sunseeker boat for \$295,000. This statement was false and contained material omissions, as K. KAHRIG in fact received approximately

\$395,000 during the transaction on or about September 12, 2017 involving the sale of the 2002 Sunseeker boat;

- f. In answer to Question 18, and in answer to Question 13 of his bankruptcy SOFA, which asked, “Within 2 years before you filed for bankruptcy, did you give any gifts with a total value of more than \$600 per person?”, K. KAHRIG failed to disclose that on or about September 12, 2017, he had transferred to C. KAHRIG the \$395,000 check he received from the buyer of the 2002 Sunseeker boat, and used the check pay off C. KAHRIG’s mortgage on the property at 30651 Green Valley Road; and
- g. In answer to question 20 of his bankruptcy SOFA, which asked, “Within 1 year before you filed for bankruptcy, were any financial accounts or instruments held in your name, or for your benefit, closed, sold, moved, or transferred?”, K. KAHRIG listed only one financial account closed within the last year, when in fact he had closed three financial accounts within the last year, the FCB accounts ending in *4002, *8010, and *8001.

In violation of Title 18, United States Code, Section 152(3).

COUNT 4
(False Statement Under Oath in Bankruptcy Case – 18 U.S.C. § 152(2))

On or about July 10, 2018, in St. Clair County, within the Southern District of Illinois, defendant,

KEVIN M. KAHRIG,


knowingly and fraudulently made materially false and fraudulent representations and omissions under oath before the case trustee at a Meeting of Creditors, in and in relation to a case under Title 11, *In re: Kevin Michael Kahrig*, No. 18-30741 (S.D. Il. Bankr.), specifically:

- a. K. KAHRIG stated that his bankruptcy documents were “complete, accurate, and truthful”;
- b. K. KAHRIG stated that he had used the proceeds from the sale of the 2002 Sunseeker boat to pay down his debtors;
- c. K. KAHRIG stated, in reference to 16 Goshen Woods Lane, Edwardsville, Illinois 62025, “I’ve never paid for that property, it’s never came out of my account, it’s never been my house period”; and
- d. K. KAHRIG stated that, as to himself and C. KAHRIG: (i) “We didn’t do any finances together, we’ve never had a bank account together, we’ve never had anything together”; (ii) “[T]here have never been any kind of finances done together”; (iii) “We don’t discuss finances ever”; and (iv) “We don’t discuss finances, at all.”

All in violation of Title 18, United States Code, Section 152(2).

A TRUE BILL


PETER T. REED
Assistant United States Attorney


STEVEN D. WEINHOEFT
United States Attorney

Recommended Bond: \$10,000 bond.